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**UNFPA — Recommendations of the United Nations Board of Auditors**

# United Nations Population Fund

## Follow-up to the report of the United Nations Board of Auditors for 2008-2009: Status of implementation of the recommendations

## Report of the Executive Director

*Summary*

Pursuant to decision 97/2 of the Executive Board, the Executive Director is pleased to submit a report on the implementation by UNFPA of the recommendations of the United Nations Board of Auditors, for the biennium that ended 31 December 2009 (A/65/5/Add.7).

This report describes the actions taken and planned by UNFPA to implement the recommendations of the United Nations Board of Auditors for the 2008-2009 biennium. A separate annex, available on the UNFPA Executive Board web page (http://www.unfpa.org/public/site/global/lang/en/pid/6782), provides further details of the audit recommendations and the status of their implementation. UNFPA also addressed audit issues in its report on internal audit and oversight activities in 2009 (DP/FPA/2010/20), which it submitted to the annual session 2010 of the Executive Board.

In accordance with Executive Board decision 2005/8, the present report indicates the priority accorded to each of the audit recommendations. As of 30 September 2010, UNFPA had implemented 31 recommendations of a total of 93 recommendations.

The senior management of UNFPA is committed to addressing the challenges related to national execution and compliance with procedures. UNFPA has prioritized the implementation of the recommendations of the Board of Auditors and has strengthened the follow-up process in order to ensure that appropriate and timely

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action is taken. In addition, UNFPA has established a comprehensive and systematic approach that strengthens internal controls and ensures compliance with procedures. It has assigned staff to address each of the recommendations and has set target completion dates. UNFPA has also established personal accountability mechanisms to ensure that managers are held responsible for implementing the recommendations.

# I. Introduction

1. Pursuant to decision 97/2 of the Executive Board, the Executive Director is pleased to submit a progress report on the implementation by UNFPA of the recommendations of the United Nations Board of Auditors, for the biennium that ended 31 December 2009 (A/65/5/Add.7). In document A/65/498, the Advisory Committee on Administrative and Budgetary Questions reviewed the report of the United Nations Board of Auditors and the corresponding report of the Secretary-General (A/65/296/Add.1).

2. Since its establishment, UNFPA has recognized and promoted the importance of nationally owned and nationally led development. Guided by General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system, the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, UNFPA focuses its efforts on national ownership and uses, to the extent possible, national execution as its preferred implementation modality. Because UNFPA is a small organization that seeks to avoid creating parallel structures, it depends on national partners, especially governmental and non-governmental organizations, to implement its programmes.

3. UNFPA is aware that this approach presents challenges, especially regarding the capacity of national partners and the impact on accountability. UNFPA is committed to addressing the issues identified by the United Nations Board of Auditors and has already taken action on many of the recommendations. A comprehensive and systematic approach that strengthens controls and ensures compliance has enhanced the UNFPA response. This approach is based on the following organizational pillars:

(a) nurturing a culture of accountability and making accountability a corporate priority for UNFPA;

(b) strengthening controls, inter alia, through an enhanced internal control framework and a new enterprise risk management framework;

(c) building capacity, through the provision of support and training to UNFPA staff and implementing partners;

(d) ensuring systematic monitoring and follow-up by senior management through regular reporting to governing bodies and other decision-making bodies;

(e) strengthening the linkage between accountability and performance management, by ensuring that staff at all organizational levels are held accountable for implementing recommendations in their areas of responsibility through the UNFPA performance appraisal and development system.

4. This report updates the action undertaken by UNFPA to implement the recommendations of the United Nations Board of Auditors, as contained in document (A/65/5/Add.7). UNFPA also addressed audit issues in its report on internal audit and oversight activities in 2009 (DP/FPA/2010/20), and in the management response to that report, which UNFPA submitted to the annual session 2010 of the Executive Board.

5. The report is organized as follows:

(I) Introduction

(II) Status of implementation of the audit recommendations

(III) Collaboration with United Nations partner organizations

(IV) Conclusion

(V) Recommendation

(VI) Annex.

6. The recommendation numbers cited in this document correspond to those contained in the report of the United Nations Board of Auditors (A/65/5/Add.7).

## II. Status of implementation of the audit recommendations

7. At the time of preparation of this report, UNFPA had implemented 31 of a total of 93 recommendations of the United Nations Board of Auditors for the biennium that ended 31 December 2009. As part of its efforts to improve governance, oversight and accountability, UNFPA will implement all the recommendations of the Board of Auditors in a timely manner. Furthermore, UNFPA is rigorously addressing the systemic issues related to national execution and compliance with procedures, which are the primary concerns of the Board of Auditors.

8. In line with the report of the Secretary-General to the sixty-fifth session of the General Assembly on the implementation of the recommendations of the Board of Auditors on the financial statements of United Nations funds and programmes for the financial period that ended 31 December 2009 (A/65/296/Add.1), the table below summarizes the implementation of the recommendations. In accordance with Executive Board decision 2005/8, it also indicates the priority given to each of the recommendations.

**Implementation status of audit recommendations by area of responsibility**

| *Division, country office* | *Number of recommendations* | *Not implemented* | *Implemented* | *In progress* | *Priority* | | |
|---|---|---|---|---|---|---|---|
| | | | | | *High* | *Medium* | *Low* |
| Division for Management Services | 51 | — | 10 | 41 | 25 | 26 | — |
| Division for Oversight Services | 2 | — | 1 | 1 | — | 2 | — |
| Division for Human Resources | 6 | — | 2 | 4 | 4 | 2 | — |
| Executive Coordinator, National Execution | 13 | — | 1 | 12 | 9 | 4 | — |
| Information and External Relations Division | 2 | — | 2 | — | 2 | — | — |
| Programme Division | 1 | — | 1 | — | — | 1 | — |
| Country offices | 18 | — | 14 | 4 | 4 | 14 | — |
| **Total** | **93** | — | **31** | **62** | **44** | **49** | — |

9. UNFPA is pleased to report that it has implemented 31 of a total of 93 recommendations of the United Nations Board of Auditors. This represents 33 per cent of the recommendations. The report of the United Nations Board of Auditors

was issued on 22 July 2010. UNFPA is on track in implementing the remaining 62 recommendations and expects to implement the remaining recommendations by 31 May 2012, when it issues its financial statements. UNFPA expects to implement 44 additional recommendations by 31 December 2010. The target completion date for each recommendation is contained in the audit recommendation table available on the Executive Board web page (http://unfpa.org/public/site/global/lang/en/pid/6782).

10. To strengthen its analysis, UNFPA grouped the recommendations by the risk categories defined in the report on UNFPA internal audit and oversight activities in 2005 (DP/FPA/2006/4). The recommendations are grouped into the following categories: (a) people risk; (b) process risk; and (c) relationship risk. The paragraphs that follow summarize the action taken by UNFPA to address the recommendations in each risk category. UNFPA has sought to address the high-risk recommendations as a priority.

## A. People risk

11. This group includes recommendations relating to the contractual arrangements of temporary personnel, and attendance and leave administration. There are seven recommendations in this group. UNFPA has implemented one high-priority recommendation (296) and two medium-priority recommendations (300 and 323) in this group. This represents 43 per cent of the recommendations in this group. UNFPA expects to implement the other four recommendations by 31 December 2011.

*Leave monitoring (recommendations 309, 313, 314 and 318)*

12. Leave accruals that accurately provide the estimated liabilities are a part of the international public sector accounting standards (IPSAS) employee benefits implementation planned for January 2011. To accurately compute the leave-pay provision in its financial statements, and to ensure that country offices maintain accurate and complete leave records, UNFPA is developing, together with its partner organizations, a technical solution through Atlas. UNDP manages this project. For international and locally recruited staff, the joint UNDP/UNFPA/UNOPS IPSAS implementation will provide an automated process that will generate monthly leave accrual reports reconciled with the leave provision in the financial statements.

13. UNDP has provided Atlas absence-processor training to all headquarters leave monitors and alternates, who began using the system in April 2010. This should improve the recording of attendance and leave.

## B. Process risk

14. This group includes recommendations related to procurement activities, assets, travel and IPSAS. There are 72 recommendations in this group.

15. UNFPA has implemented 10 high-priority recommendations (27, 31, 41, 53, 68, 72, 111, 197, 215 and 270) and 16 medium-priority recommendations (50, 99, 116, 205, 209, 220, 241, 244, 246, 251, 370, 371, 379, 405, 425 and 436) in this risk group. This represents 36 per cent of the recommendations in this group. UNFPA

will have implemented the remaining 46 recommendations by 31 May 2012, when it issues the financial statements.

*Strengthening controls*

16. To address process risks, UNFPA has strengthened controls at headquarters, regional and country levels.

17. In 2009, UNFPA commissioned an in-depth review of the internal control framework to ensure alignment with the framework of the committee of sponsoring organizations of the Treadway Commission. The initial UNFPA internal control framework covered six business processes: procurement, information technology, resource utilization, payroll, fixed assets and travel. UNFPA is considering a similar review covering additional business processes. The implementation of the revised internal control framework, which is under way, will help to address the concerns of the Board of Auditors, as expressed in document A/65/5/Add.7.

18. UNFPA is developing an enterprise risk management framework to strengthen accountability throughout the organization. The enterprise risk management framework will provide guidance to enable UNFPA to identify areas that require stricter controls and strengthened accountability. By the end of 2010, UNFPA will have developed a global enterprise risk management strategy and policy. This will include a strategic risk assessment at the global level as well as risk assessment activities for regional and country offices. UNFPA will supplement the implementation of the enterprise risk management with a training programme. The Executive Committee of UNFPA will regularly monitor the implementation of the enterprise risk management framework. Beginning in 2011, the Committee will also serve as a risk board.

19. UNFPA is undertaking other actions to strengthen controls and ensure compliance by country offices with procedures. These include: (a) strengthening the role of regional offices in monitoring compliance; and (b) introducing an accountability assessment for UNFPA representatives and directors that will require them to formally certify that their office or division is complying with accountability requirements.

*Procurement (recommendations 237, 238, 334, 335, 359, 383, 387 and 392)*

20. UNFPA is addressing outstanding procurement issues by increasing the guidance it provides to country offices. It has organized monthly web conferences for all regional and country offices to ensure compliance with UNFPA policies and procedures, and has strengthened the procurement planning process. UNFPA has provided training to country office staff and developed tools to assist staff with procurement activities. Regional offices and headquarters units will provide regular follow-up and ensure compliance with policies and procedures.

21. To implement the recommendations related to third-party procurement, UNFPA revised its accounting policy for contribution revenue, effective January 2010. Revenue will include only the portion of cash received that is above the cost of the transaction.

*Asset certification (recommendations 256, 267, 281 and 291)*

22. To ensure that all country offices submit asset certifications in a timely manner and follow necessary procedures, UNFPA has implemented a rigorous monitoring process, whereby headquarters regularly follows up with country offices to ensure compliance with requirements. UNFPA will undertake an asset certification exercise following the headquarters relocation in October 2010.

*Travel (recommendations 424 and 429)*

23. UNFPA ensures that travel requests are submitted in a timely manner in order to secure the most cost-effective options for the traveller and the organization. UNFPA has achieved this through stronger oversight and guidance, training sessions, and the dissemination of statistics and graphs depicting the notice period provided by travellers from the respective divisions.

*Utilization of funds and outstanding fund balances (recommendations 68, 346, 347 and 350)*

24. In response to the recommendations of the Board of Auditors, UNFPA is strengthening the monitoring of fund balances on expired donor contributions. UNFPA has made improvements in the monitoring and follow-up of unspent funds, and, as a result, has reduced unspent balances over the past year. As of 2010, the list of agreements with corresponding expiry dates has been available on the donor agreement and report tracking system for immediate access by budget holders. UNFPA has also requested buyers to follow up on the liquidation of outstanding balances. In order to clear dormant balances from its records, UNFPA will bring outstanding issues to the attention of senior management for resolution and liquidation.

*Accounts receivable, payable and end-of-service liabilities (recommendations 44, 58, 62, 90 and 95)*

25. UNFPA has developed simpler and clearer reports and disseminated them to country offices to assist them in extracting financial information from Atlas. This will ensure that the analysis of the accounts receivable and payable balances reflects ageing.

26. UNFPA will address with UNDP, issues related to the validity, accuracy and completeness of the data used in the computation of post-retirement and end-of-service liabilities in future financial periods at the next actuarial valuation, as of 31 December 2011. This is part of the preparation for the implementation of IPSAS. UNFPA has developed a funding plan for this implementation.

## C. Relationship risk

27. This group includes recommendations relating to interactions between UNFPA and its implementing partners and related processes. There are 14 recommendations in this group. UNFPA has implemented one high-priority recommendation (134) and one medium-priority recommendation (181). This represents 14 per cent of the recommendations in this group. UNFPA expects to implement the remaining 12 recommendations by 31 July 2011.

*National execution (recommendations 128, 133, 142, 149, 154, 159, 160, 161, 165, 175, 188 and 192)*

28. UNFPA works with governments and non-governmental organizations to implement programmes and achieve results. National execution is more complex and has risks that far exceed that of direct implementation by UNFPA. A crucial factor in the success of national execution and a priority for UNFPA is to develop sufficient capacity for national implementing partners to manage programmes. There is a need to develop long-term solutions that rely on national systems and processes and on harmonization within United Nations country teams.

29. UNFPA management is committed to and engaged in addressing the issues raised by the auditors related to national execution. Since 2008, strengthening the national implementation and execution of programmes has been a priority for UNFPA. UNFPA senior management is increasing its efforts to ensure compliance with national execution requirements and to strengthen management at the country level. The results of the efforts undertaken are expected to materialize during the 2010 national execution audit exercise, which will take place in early 2011.

30. To ensure compliance with national execution requirements, UNFPA senior management will follow up with all relevant units and will hold staff accountable for compliance with national execution audit processes. For that reason, UNFPA has included an output on national execution compliance in the performance appraisal and development system of each UNFPA Representative. Senior management will ensure the necessary follow-up and monitor staff performance.

31. UNFPA has retained a centrally recruited audit firm, with a long-term agreement, to carry out all audits at the country level. This will address the issue of the independence and affiliation of auditors, as well as that of compliance with international audit standards. The hiring of a global audit firm will ensure that audit opinions are consistent among countries, and improve the submission rates of audit reports. These improvements are expected to be reflected in the 2010 national execution audit exercise.

32. UNFPA is taking steps to address the issue of timeliness in the submission of audit reports and financial forms. In addition to the inclusion of a national execution-related output in the performance appraisal and development system, UNFPA is examining systematic approaches to ensure that all audit processes are completed in a timely manner. Among these is a process that will allow for better preparation before the audits and ensure their timely completion. UNFPA will require its country offices to undertake a pre-audit to ensure, with the implementing partners, that all documentation is in place. The audit firm will make a familiarization visit as well as hold briefing meetings prior to the start of the audits.

33. UNFPA has revised the approach to auditing national execution expenditures and the terms of reference for national execution audits. It is also taking action to ensure that projects that are to be audited, as required by the terms of reference, have been included in the audit plans. UNFPA will continue to monitor the inclusion of projects based on threshold and once-in-a-lifetime requirements.

34. To ensure the appropriateness of audit opinions for nationally executed project expenditures and the accuracy of the information in the database, UNFPA is reviewing the audit opinions in the national execution audit management system. In

addition, UNFPA is verifying the accuracy of other information in the database for the 2008 and 2009 reports, and will make the necessary amendments.

35. UNFPA has also addressed the discrepancy in the expected number of audit reports and the number of implementing partners as per the nationally executed expenditure audit database. For the 2008 reports, the number of audit reports was reconciled manually; explanations of the discrepancies are available. UNFPA is analysing the discrepancies in the 2009 reports.

36. UNFPA has created an automatic interface between the national execution audit management system and Atlas. This enables the national execution audit management system to import and display data from Atlas daily. Some discrepancies exist. For example, the national execution audit management system includes all projects that are active in Atlas, but it may also include some completed projects that no longer incur expenditure, but have not yet been closed in Atlas. UNFPA is reviewing these discrepancies.

37. To address the issue of unsupported expenditures, UNFPA is applying the harmonized approach to cash transfers and internal UNFPA risk models to identify and mitigate the risks posed by working with external partners. UNFPA is following up on the 2008 qualified reports to ensure accountability. Country offices, in conjunction with headquarters, have initiated the follow-up to the 2009 audit reports to clear any unsupported expenses.

38. UNFPA conducted regional training workshops on national execution and provided sample documents, guides and tutorials to country offices to build the capacity of country-office staff.

39. The limited capacity of implementing partners is one of the main risks in national execution. This was confirmed by a recent interdivisional exercise that UNFPA conducted to ascertain the risks associated with national execution and to agree on how to address them. The capacity of implementing partners is complex to address since national institutions are not within the control of UNFPA, United Nations country teams or other development partners.

40. Building the capacity of implementing partners is the central mandate of every country office. Country offices systematically include financial management in their capacity-building efforts. In the absence of project implementation units, some country offices have used United Nations volunteers to provide support to implementing partners. Regional offices will continue to identify needs for capacity-building at national levels and to respond with measures that are supported by headquarters. UNFPA has intensified its efforts to train implementing partners on UNFPA procedures and is investing in the long-term capacity-building of national institutions.

## III. Collaboration with United Nations partner organizations

41. UNFPA is guided by the triennial comprehensive policy review of operational activities for development of the United Nations system and the UNFPA strategic plan, 2008-2013. UNFPA has long-established relationships, shared concerns and areas of engagement with partner organizations. In 2010, UNFPA worked with United Nations system partners in areas such as programming and the harmonization of business practices, through formal forums such as the High-level

Committee on Management, the High-level Committee on Programmes and the United Nations Development Group, and through systematic cooperation with partner organizations. This cooperation has been critical to achieving progress in the enterprise resource planning (Atlas) system, IPSAS, the development of a harmonized budget and enterprise risk management. UNFPA pays for services, primarily from UNDP, in areas such as human resources and finance in country offices. Some of the recommendations of the Board of Auditors require action by these partner organizations.

## IV. Conclusion

42. UNFPA is committed to addressing the issues and risks raised in the report of the United Nations Board of Auditors (A/65/5/Add.7). UNFPA senior management has prioritized the implementation of the recommendations made by the Board of Auditors, specifically those related to national execution and compliance with procedures in country offices. Other recurrent issues that entail high risk include the management of vacancies for critical positions, long outstanding operating fund account balances, and issues related to procurement procedures. To ensure that results are achieved, UNFPA has strengthened its follow-up process. As indicated in this report, UNFPA has taken steps to improve and strengthen accountability and controls; to ensure that all staff members comply with operational guidelines; and to ensure that UNFPA achieves high-quality results and uses resources efficiently. UNFPA has enhanced its response through a comprehensive and systematic approach to strengthen internal controls and ensure compliance with policies and procedures.

43. As a result, UNFPA has implemented, or is in the process of implementing, all 93 recommendations made by the United Nations Board of Auditors for the biennium that ended on 31 December 2009. UNFPA has completed action on 31 recommendations. It expects to implement all the recommendations by the end of May 2012.

## V. Recommendation

44. **The Executive Board may wish to take note of the present report (DP/FPA/2011/1) on the action already taken by UNFPA and the further action planned by UNFPA in implementing the recommendations of the United Nations Board of Auditors for the 2008-2009 biennium.**

# VI. Annex

## List of 2008-2009 audit recommendations according to priorities established by the United Nations Board of Auditors (for information)

1. There are seven recommendations in the "people" group: four recommendations are of high priority (296, 309, 313 and 314); and three recommendations are of medium priority (recommendations 300, 318 and 323).

2. There are 72 recommendations in the "process" group. Thirty recommendations are of high priority (27, 31, 41, 44, 53, 58, 62, 68, 72, 76, 87, 90, 95, 106, 107, 111, 197, 215, 237, 256, 267, 270, 281, 290, 291, 334, 335, 339, 346 and 347); and 42 recommendations are of medium priority (35, 49, 50, 65, 99, 114, 116, 198, 201, 205, 209, 220, 225, 229, 232, 238, 241, 244, 246, 251, 262, 273, 277, 350, 359, 360, 365, 370, 371, 375, 379, 383, 387, 392, 395, 401, 405, 424, 425, 429, 434 and 436).

3. There are 14 recommendations in the "relationship" group: ten recommendations are of high priority (134, 142, 149, 154, 159, 161, 165, 175, 188 and 192); and four recommendations are of medium priority (128, 133, 160 and 181).

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**UNFPA — Financial, budgetary and administrative matters**

# United Nations Population Fund

## Report on Human Resources Management in UNFPA

*Summary*

The present report is submitted pursuant to a request made by the Executive Board. It provides an overview of human resources management at UNFPA, in line with the Fund's human resources strategy (DP/FPA/2002/11). The strategy, which was presented to the Board in 2002, provides the framework for a competency-based human resources management system that integrates human resources planning, recruitment, performance management, learning and career development.

Following the introduction, section II of the report presents the context in terms of the external and internal environment pertaining to human resources management; section III provides an overview of the composition and structure of UNFPA staff; section IV focuses on managing human resources and delineates the different areas of human resources and the progress achieved within UNFPA; section V highlights key priorities and challenges; and section VI contains a recommendation. Additional information pertaining to staff distribution is made available on the UNFPA Executive Board website.

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# Contents


| | | Page |
|---|---|---|
| I. | Introduction | 3 |
| II. | Context | 3 |
| | A. External environment | 4 |
| | B. Internal environment | 5 |
| III. | Composition and structure of UNFPA staff | 6 |
| | A. Staff by category and contractual status | 6 |
| | B. Staffing structure | 6 |
| IV. | Managing Human Resources | 9 |
| | A. Organizational design | 9 |
| | B. Recruitment and staffing | 9 |
| | C. Learning and career development | 11 |
| | D. Competencies and performance management | 12 |
| | E. Promoting staff well-being | 13 |
| | F. Good governance | 14 |
| | G. United Nations reform | 14 |
| V. | Key priorities and challenges | 16 |
| VI. | Recommendation | 19 |




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# I. Introduction

1. The present report is submitted pursuant to a request made by the Executive Board. The report provides an overview of human resources management at UNFPA. The Fund considers its staff to be a key asset and essential for delivering on the UNFPA mission and mandate in assisting countries in implementing the Programme of Action of the International Conference on Population and Development (ICPD) and achieving the Millennium Development Goals. UNFPA aims to foster an organizational culture that is open, outward looking, field-focused and future-oriented.

2. In adapting to the changing development needs of countries and evolving global trends, UNFPA seeks to place the right people with the right skills in the right position at the right time. The challenge for UNFPA, as indeed for any development organization, is to remain strategic and agile in responding to and keeping pace with diverse and changing country needs and realities. The Fund's success is pivoted on having a workforce that is talented, has the requisite skills and competencies and can deliver on the UNFPA mandate effectively and efficiently in a competitive, results-focused development environment where a high premium is placed on accountability. Flexibility and adaptability in human resource capabilities are essential.

3. Following the introduction, section II of the present report gives the context in terms of the external and internal environment pertaining to human resources management; section III provides an overview of the composition and structure of UNFPA staff; section IV focuses on managing human resources and delineates the different areas of human resources and the progress achieved within UNFPA; section V highlights key priorities and challenges; and section VI contains a recommendation. Additional information pertaining to staff distribution is made available on the UNFPA Executive Board website. The present report draws on the UNFPA human resources strategy (DP/FPA/2002/11) that was presented to the Executive Board at the second regular session 2002. The strategy defined the internal vision and established an integrated, holistic framework for human resources management, and drew on improved management practices within and outside the United Nations system.

# II. Context

4. In UNFPA, human resources management is everyone's business. The Fund's collaborative approach to human resources emphasizes the role of all managers as human resources managers. This approach reinforces human resources management measures through mentoring, coaching and regular dialogue with staff and managers with a focus on planning, managing and nurturing talent; performance; and fostering discussions on career and learning needs. All managers are responsible for upholding the principles of transparency, accountability, confidentiality and team performance. They are also charged with treating all staff with respect.

5. Comprehensive human resources measures highlighted in this report are designed to have a positive effect on motivation and performance. Applying the United Nations Staff Regulations and Staff Rules, and as part of the United Nations common system (conditions of employment), UNFPA is innovative and resourceful

in the application of modern best practices. UNFPA emphasis on innovation has contributed to successful human resources initiatives that are being adopted by others in the United Nations system.

6. In 2004, the Secretary-General, for the purpose of implementing General Assembly decision 58/555 on personnel matters relating to UNFPA, promulgated that formal authority in matters relating to human resources was delegated to the UNFPA Executive Director (see ST/SGB/2004/10). Prior to that, formal authority in matters concerning UNFPA personnel had resided with the Administrator of UNDP.

7. Under the leadership of the Executive Director, the UNFPA Division for Human Resources has the lead role in promoting and implementing the UNFPA human resources strategy. Like all other units of the Fund, the Division contributes to advancing and achieving the goals and results of the UNFPA strategic plan. The Director of the Division is a member of the UNFPA Executive Committee and the Division participates in various working groups of the United Nations Development Group (UNDG), the International Civil Service Commission (ICSC), and the Human Resources Network (HRN) of the United Nations System Chief Executives Board (CEB), engaging in human resources policy dialogue with the goal of harmonizing policies and practices across the United Nations system. At many levels, the Division contributes substance and innovative solutions dealing with broad human resources issues that impact the organization. The aim is to be flexible and adaptable to the changing needs and requirements of global trends and the workplace.

## A. External environment

8. The rapidly changing regional and country realities and the increasing range of programme delivery modalities for the United Nations system and UNFPA engagement all have implications for human resources at the country level. UNFPA is working in diverse country settings, for example, least developed countries, middle-income countries, countries in conflict, post-conflict or crisis/emergency situations, and Delivering as One countries. In each country setting there are specific needs and demands that require UNFPA to work differently in order to be responsive to national particularities and priorities. As noted above, the challenge is to remain flexible and strategic in responding to evolving needs and trends.

9. External factors have contributed to the challenges faced in recruitment in headquarters and field offices, not only for UNFPA but also for the United Nations system in general. Recruitment and placement of staff have been impacted by attrition caused by a number of factors: decreasing attractiveness and competitiveness of the United Nations system employment conditions; staff retirements; difficult living conditions and increasing security concerns in a number of field duty stations; and increased competition for suitable candidates from within the United Nations family of organizations, the private sector, and resource-rich non-governmental organizations and foundations. In some instances, delays in government clearance for positions of the UNFPA Representative have jeopardized UNFPA ability to maintain the interest of internal and external candidates. Increased mobility of staff has given rise not only to more recruitment and reassignment activities, it also presents the challenge of orienting new staff and ensuring the continuity of operations.

10. External stakeholders are demanding that the United Nations be more accountable in the way resources are being utilized, requiring more efficiency and effectiveness in the management of resources, including human resources.

11. United Nations reform initiatives have had a major impact in the area of human resources. On 1 July 2009, the General Assembly introduced a new contractual framework. UNFPA participated in the inter-agency meetings to finalize the new United Nations Staff Rules and updated its own human resources policies and practices to ensure consistency with the new Staff Rules. UNFPA is currently conducting a one-time review of staff for consideration for permanent appointments as part of the transitional measures that are applicable to the United Nations Secretariat and the funds and programmes. UNFPA has been a strong contributor to United Nations reform initiatives through active participation in inter-agency working groups as well as in human resource-related missions to Delivering as One countries.

## B. Internal environment

12. In 2008, UNFPA undertook a major restructuring to enhance efficiency and effectiveness and strengthen the Fund's field focus. In order to ensure a smooth transition and minimize the disruption of its operations, a comprehensive change management plan was elaborated and a consultative approach was adopted with an emphasis on transparency and staff well-being. The elaboration of a planned approach included the management of critical decisions related to, among others: major staffing exercises (including job fair and job matching exercises); the closing of country support team offices in Addis Ababa, Amman, Bangkok, Bratislava, Dakar, Harare, Kathmandu, Mexico City and Suva; the abolition of selected posts and the provision of career counselling to those staff affected by the restructuring; the management of an agreed separation programme; and the negotiation of legal agreements for the establishment of regional and subregional offices. Specific attention was given to regular communication with all staff, including holding regular information sessions and meetings with the affected units, as well as with all staff at headquarters (with web broadcasts to field offices). In addition, missions were undertaken to each of the affected offices to clarify conditions of separation and provide career counselling and job-search skills. UNFPA developed "Human Resources Guidelines and Procedures to Support Organizational Restructuring" in consultation with the Staff Council and disseminated the guidelines to staff. The guidelines are now considered a best practice in the United Nations system and have been adapted by other United Nations organizations as a reference for their change management initiatives.

13. Restructuring impacted the work of the Fund in various ways. It engendered a number of staff movements — the arrival of newcomers to the organization as well as a loss of institutional knowledge when some staff were awarded voluntary separations or retired. While these movements created opportunities for staff to progress in their careers and brought in fresh skills and capacities through new staff, the organization had to ensure, through a variety of measures, continuity of operations and a smooth transfer of knowledge as staff assumed new roles. Throughout the transition period, the organization remained alert and committed to adapting and exercising flexibility to unforeseen changes.

# III. Composition and structure of UNFPA staff

14. UNFPA is committed to maintaining a gender-balanced and geographically diverse workforce. The UNFPA Division for Human Resources reports regularly to senior management on staff demographics, including gender and nationality.

## A. Staff by category and contractual status

15. As of 30 September 2010, UNFPA had a total of 2,017 staff funded from regular resources, with 16 per cent located at headquarters and the rest in field locations. In addition, there are 70 Junior Professional Officers (JPOs), 89 per cent of whom work in field duty stations. The number of JPOs in 2010 represents a 36 per cent increase compared to 2009.

16. Among the International Professionals, 51 per cent are in senior management-level positions (P5 level and above), 30 per cent are at middle-management level (P4 level), and 19 per cent are in entry-level positions (P2 and P3 levels). In the General Service category, 47 per cent are at the senior levels (G6 and G7).

Table 1
**Total number of staff by category and location under regular resources**
(as of 30 September 2010)

| *Location* | *International Professional* | *National Professional* | *General Service* | *Total* | *Percentage of total staff* |
|---|---|---|---|---|---|
| Asia and the Pacific region | 62 | 123 | 215 | 400 | 20% |
| Africa region | 130 | 267 | 364 | 761 | 38% |
| Arab States region | 42 | 40 | 80 | 162 | 8% |
| Eastern Europe and Central Asia regions | 21 | 40 | 67 | 128 | 6% |
| Latin America and the Caribbean region | 39 | 72 | 127 | 238 | 12% |
| Headquarters | 202 | | 126 | 328 | 16% |
| **Grand total** | **496** | **542** | **979** | **2017** | **100%** |
| **Percentage of total staff** | **25%** | **27%** | **49%** | **100%** | |

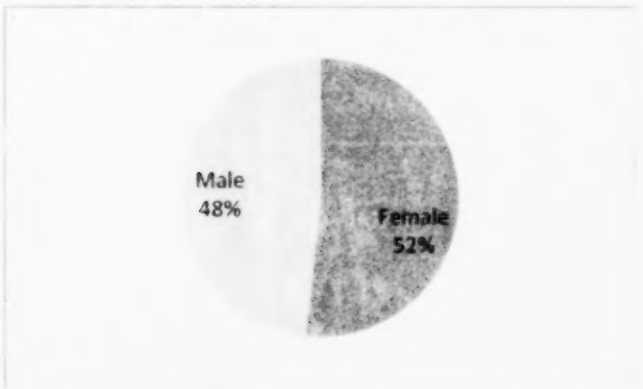
## B. Staffing structure

### 1. Gender representation

17. UNFPA takes pride in its commitment to gender balance across the organization and for years has been a leader in the United Nations system in that regard. Overall, the UNFPA workforce is 52 per cent female and 48 per cent male.

In the International Professional category, 47 per cent of the staff are female and 53 per cent are male.

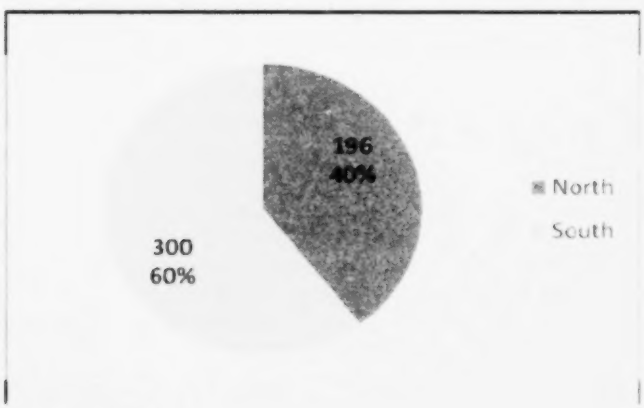
Figure 1
**Gender balance: all UNFPA staff funded from regular resources (as of 30 September 2010)**




## 2. North/South staffing at UNFPA

18. The proportion of UNFPA staff from countries in the South is 85 per cent and from countries in the North is 15 per cent. As regards International Professionals, 60 per cent come from the South and 40 per cent from the North.

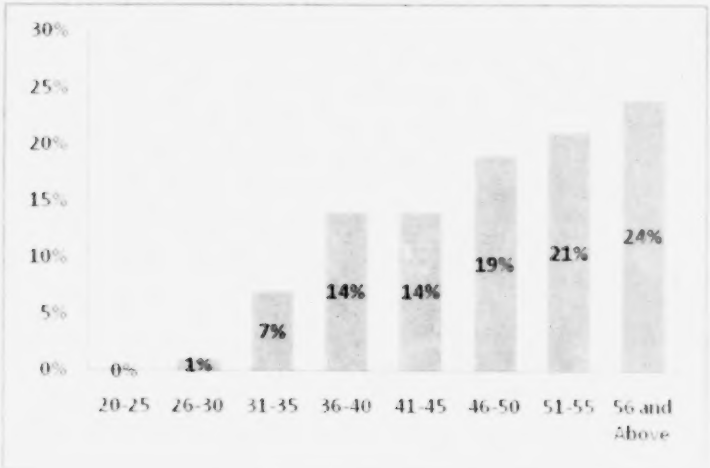
Figure 2
**Percentage of North/South International Professionals (as of 30 September 2010)**




## 3. Age structure

19. Overall, 36 per cent of all UNFPA staff members fall within the age bracket of 41 to 50 years and 31 per cent fall within the age bracket of 31 to 40 years. In the International Professional category, 24 per cent are 56 years or older, which indicates that almost a quarter of staff in the International Professional category will retire within the next six years.

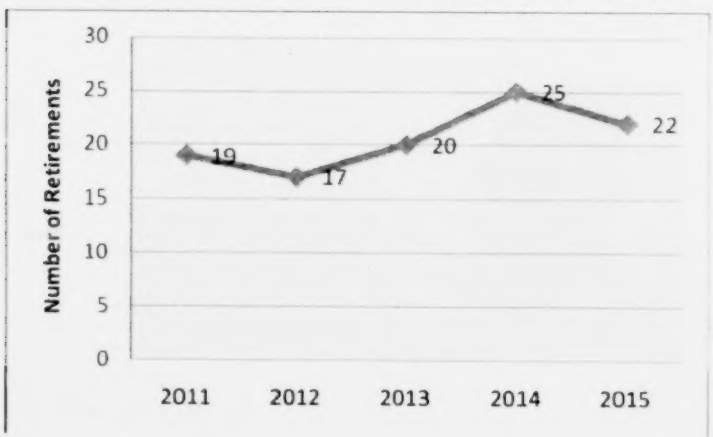
Figure 3
**Age distribution of International Professional staff (as of 30 September 2010)**




## 4. Retirement projections

20. A total of 103 International Professionals (21 per cent of total International Professionals) are projected to retire between 2011 and 2015. Of those at the senior management level (P5 and above), 31 per cent will be retiring, including 8 of the 13 staff at D2/P7 level.

Figure 4
**Retirement projections of International Professionals, 2011-2015**



# IV. Managing Human Resources

## A. Organizational design

21. Organizational design refers to activities related to organizational structure, human resources planning, job design and job classification. During the UNFPA restructuring exercise in 2008, new terms of reference for all UNFPA organizational units were formulated and revised; and job descriptions for posts that featured in the new organizational structure were designed and classified. While in-house capacity in job design and classification has been developed to provide advice to managers and staff, UNFPA outsources the classification function to outside experts. Moreover, to preserve knowledge and help orient staff to their new duties, UNFPA launched the UNFPA Knowledge Transfer Notes to make staff transitions more efficient. These documents are created by staff members who are leaving their posts to ensure a smooth and efficient hand-over and knowledge preservation in the organization.

22. The UNFPA succession planning framework presents an approach to aligning UNFPA human capital with the Fund's strategic objectives. Succession planning is integrated with a variety of human resources initiatives, including recruitment strategies, leadership development, corporate learning programmes and career development opportunities. Annual strategic human resources planning meetings are organized with the management team of each organizational unit covering a range of human resource matters, including performance management, staff development issues, and medium- to long-range planning for upcoming retirements and staff movements.

23. In keeping with its human resources strategy, UNFPA also outsources other services, thereby shifting from transaction and process to focus more on strategic and advisory services. Thus, UNFPA outsources to UNDP the administration of contracts, salaries, benefits and entitlements. A team from UNDP is co-located in UNFPA headquarters and provides this service for all international professional staff and all staff at headquarters. In the field offices, UNDP administration in each office provides a similar service for UNFPA locally recruited staff. UNDP also manages the administration of consultants on special service agreements (SSAs) and service contracts in field offices while the United Nations Office for Project Services (UNOPS) administers SSAs at headquarters. In keeping with the Fund's human resources strategy, UNFPA outsources the administration of Junior Professional Officers to the UNDP JPO Service Centre in Copenhagen. Of course, outsourcing can present its own challenges, including if and when the service provider's own capacity is compromised or when reference to UNFPA-specific policies and procedures is not systematic.

## B. Recruitment and staffing

24. UNFPA seeks the best available talent from internal and external sources in order to meet organizational needs. Efforts are under way to improve the employment web page on the UNFPA website and explore the use of social networks, including Facebook and LinkedIn, to attract a greater number of qualified candidates. UNFPA took the lead in developing a web-based job application system within the enterprise resource planning system shared with UNDP and UNOPS,

called Atlas e-Recruit, which expedites recruitment and feeds rosters of candidates for critical positions. The system conforms to best practices and standards, and has already improved the processing of job application management. In addition, UNFPA also took the lead in the design of an online recruiter console, which has enabled UNFPA to track incoming applications and produce vacancy status reports. This has been essential in identifying and addressing bottlenecks in the recruitment process. UNDP and UNOPS have expressed interest in adapting the UNFPA e-Recruit system for their needs.

25. UNFPA recently issued a recruitment guide for managers following established UNFPA policies and procedures and recommended practices. Starting in 2010, UNFPA is collaborating with the United Nations Secretariat and other United Nations agencies on joint outreach/recruitment missions in an effort to promote UNFPA and attract potential candidates. The Fund's strategic use of external assessment services is helping to determine the suitability of candidates for positions with managerial responsibilities. Assessments are also used for staff development purposes. Also, work is under way to identify and apply additional testing tools and approaches, preferably online, for key positions. Plans are being developed to enforce more rigorous checking of the academic credentials and work history of prospective candidates.

26. UNFPA is a field-based organization. Under the UNFPA geographic rotation policy, an internationally recruited staff member can expect to rotate if he/she encumbers a rotational post. Rotation is the managed reassignment of UNFPA staff members according to specific tours of duty from one UNFPA duty station to another. The tour of duty is determined by the mobility and hardship classification of the duty station as determined by the ICSC. Staff rotation is systematic and managed through an annual exercise that involves a peer review process. The process ensures a balance of assignments through duty stations of different hardship levels, and provides staff with opportunities that contribute to their professional and career growth. Other organizations, such as the United Nations Educational, Scientific and Cultural Organization (UNESCO), have expressed an interest in this policy and process.

27. Inter-agency mobility is critical for strengthening the cohesiveness as well as effectiveness of the United Nations system's response to global challenges and for building a competent, versatile, multi-skilled and experienced international civil service. UNFPA actively supports and subscribes to the Inter-Organization Mobility Accord. A recent survey of the organizations in the United Nations system by the ICSC has shown that UNFPA has the best record in the system in both releasing its staff to work with other United Nations organizations and receiving staff from these organizations to work at UNFPA.

28. In recent years, UNFPA has faced increasing challenges in the implementation of programme activities, particularly due to interruption of operations caused by natural or man-made disasters. These situations strain the human resources in affected country offices and have increased the need for UNFPA to be able to swiftly and systematically source and/or deploy internal UNFPA staff in response to a crisis or humanitarian emergency. The quickest staffing solution includes deployment of experienced and trained staff from within UNFPA and at all levels. To this end, and based on experiences of other United Nations funds and programmes, UNFPA has developed elements of an internal surge capacity built on

rosters around mission-critical profiles and the identification and use of external resources and modalities that can rapidly and effectively provide other mission-critical human resource profiles that might not be available in UNFPA. UNFPA is endeavouring to formalize working arrangements with additional external organizations and institutions.

## C. Learning and career development

29. UNFPA is committed to promoting continuous staff development and firmly believes in supporting staff to enhance their own employability, including through offering informal and formal learning opportunities. UNFPA has defined clear functional streams and is building a framework for career planning with career streams identified for the functional areas of the organization. The Division for Human Resources provides guidance through the process of creating career development plans that empower staff to build their capacity for future positions. Learning can take the form of training programmes using various approaches; lateral moves; or a detail/temporary assignment in another duty station. The UNFPA Learning Catalogue lists learning topics and courses, both mandatory and optional, offered by UNFPA, the United Nations System Staff College and other external partners.

30. UNFPA is revamping its on-boarding or induction and orientation programme, which aims to ensure that newcomers have the necessary information and tools to integrate in the organization; understand the UNFPA business model; and perform their duties. Increasingly, with newcomers assuming key positions, on-boarding may include "job shadowing" to observe first-hand the skills of experienced and seasoned staff, in addition to briefings at headquarters and regional offices.

31. UNFPA has developed a continuous learning system linked to the UNFPA competency framework that identifies learning opportunities for all categories of staff. In support of talent management, UNFPA has designed a framework for management and leadership development, which will assist staff members as they assume increasing levels of managerial and leadership responsibilities. This framework includes existing programmes such as the UNFPA Leadership and Applied Management Programme, which is a mid-level manager's programme aimed at preparing staff for more senior management positions. When necessary and for certain key positions, UNFPA has arranged for one-on-one executive coaching for managers by a professional coach.

32. In support of improved business practices, UNFPA has designed and conducted a series of workshops and webinars focused on the increased importance of accountability, including topics related to the UNFPA internal control framework, national execution and the application of the International Public Sector Accounting Standards (IPSAS). These will continue to be priority areas for UNFPA training and learning programmes for 2011 and beyond.

33. More recently, a special initiative has been launched to help build or refresh UNFPA staff capacity in results-based programme planning and management. The e-learning modular training package will cover basic concepts and principles of results-based management, and fundamental steps in programme planning and management, including monitoring, evaluation and results reporting. While it is anticipated that these modules will be available to all staff, it is also envisaged to

make completion of the course mandatory for certain functional streams, particularly for those staff that are working in the programme-related areas. It is also anticipated that those who complete the courses will be eligible to participate in a workshop that will cover concepts in greater detail and focus on higher-level skills such as problem solving, strategic planning and case analysis.

34. UNFPA Distance Learning on Population Issues (DLPI) is an online programme focused on the thematic areas related to the UNFPA mandate. UNFPA collaborates with four teaching universities in the fields of public health and population studies (University of Botswana, Mauritius Institute of Health, University of Ouagadougou, and University of Costa Rica) to provide tutoring services for the DLPI programme. The University of Costa Rica also co-administers the management of the DLPI programme, providing a Certificate of Achievement on Population Issues to staff members who complete all of the courses. In addition, UNFPA has built a close collaborative relationship with Columbia University's Business School for the delivery of leadership and management training; with Cornell University for the launch of e-learning courses on human resources; and with the private companies Rosetta Stone and Auralog to improve staff language proficiency.

35. UNFPA promotes the development and use of the United Nations system-wide programmes, particularly certification programmes, which are recognized by all agencies. In 2007, UNFPA worked in partnership with UNDP to deliver finance and human resources certification programmes. UNFPA also collaborated with the United Nations Secretariat to deliver UNFPA training on ethics; and with the United Nations System Staff College on the Leadership Management Forum, for which UNFPA was a sponsor. Certification programmes in finance and in human resources have also been instituted to help staff to prepare for possible cross-functional movement and job-knowledge enhancement. Moreover, UNFPA offers a sabbatical programme and financial support to undertake external learning programmes at recognized institutions. Greater attention has been placed on organizing communities of practice around certain key operations and support functions, and delivering webinars to encourage learning through the sharing of experiences among practitioners while strengthening staff understanding and application of UNFPA policies and procedures.

## D. Competencies and performance management

36. UNFPA was one of the first organizations within the United Nations system to have developed and implemented a competency framework. Regarded as a best practice management tool, it is the cornerstone of the UNFPA human resources strategy. The framework sets organizational standards and assists UNFPA in achieving its goals by: defining competencies for all staff in all functional streams and at all levels; capturing core values and guiding principles; and reflecting managerial and leadership priorities. The competency framework also specifies the functional requirements of the organization, and it provides the basis for human resources planning, recruitment, rotation, career progression, performance management and staff development and learning. The competency framework is a guide for managers and staff to help understand the behaviours and skills expected of them. The framework makes it possible for staff to assess "how" results are achieved, not only "what" the results are.

37. The Fund's highly regarded Performance Appraisal and Development (PAD) system builds on the competency framework. The emphasis is on continuous feedback and coaching. All staff, including senior management, participate in the PAD process. Its key features include linking individual work planning, performance results and staff development to the Office Management Plan and organizational priorities. The PAD provides confidential 360 degree (multirater) feedback from a variety of perspectives, including self-appraisal, direct reports, co-workers, external partners and supervisors. It is the instrument to assess results achieved, staff competency proficiency against organizational values, and expected behaviour and skills conducive to organizational performance. It is also used to gauge developmental results and links performance to rewards and recognition. The PAD has become a transformative business practice in UNFPA and is a tool for performance accountability. In its sixth year of implementation, compliance has been maintained at 97 per cent for the past three consecutive years. The UNFPA PAD system has been acquired by several other United Nations agencies and organizations, which are adapting the system and its underlying competency framework to improve staff performance.

## E. Promoting staff well-being

38. At UNFPA, staff well-being and security are priorities in themselves and also help to promote the organization as an attractive employer; increase retention rates; and further develop staff motivation and performance. UNFPA endeavours to ensure that staff have appropriate levels of support to function effectively in an environment where they feel valued and safe. UNFPA is committed to supporting staff at headquarters and in the field for a better work/life balance by promoting supportive human resources policies and programmes, for example: flexible working arrangements; prevention of abuse and harassment; safety and security training; HIV/AIDS awareness and education (through the "UN Cares" programme); a support network for spouses; initiatives designed to enhance staff support mechanisms for effective emergency preparedness and crisis response at all levels of the organization; a rewards and recognition policy; and staff surveys to gain feedback on various aspects of work and the work environment with a view to making improvements.

39. UNFPA launched its first global staff survey in 2004, and since then has conducted surveys in 2006, 2008 and 2009. The global staff survey gives all staff in the field and at headquarters a unique opportunity to share their opinions on a number of key areas. The results of the survey identify organizational strengths as well as areas for improvement, ultimately building trust and cooperation and leading to a more effective and efficient organization. The survey is available in English, French and Spanish and generates a high rate of response from staff. A recent survey conducted by the ICSC of 15,000 staff members of United Nations system organizations has shown that UNFPA staff members are significantly more motivated than the United Nations norm, and that UNFPA is one of the most recommended organizations within the United Nations system as a place to work.

40. UNFPA effectively put in place enhanced staff support mechanisms to respond to the H1N1 pandemic and provide staff and their families with access to resources and timely, clear and credible information in order to safeguard their health/well-being and safety. These mechanisms are now a part of UNFPA emergency

preparedness and crisis response and will be used to respond to any future crises. An example of these measures includes a newly established UNFPA staff support hub on the Flucommunication web portal that was updated on a daily basis during the peak emergency phase and on a biweekly basis (during non-peak phases) until the end of the pandemic. UNFPA devised a dedicated email address to communicate information as soon as there was an escalation of the alert phase. This brought a sense of urgency and attention to critical announcements. UNFPA developed and disseminated a pandemic-related, behaviour-risk communication pamphlet for headquarters staff and their families on H1N1, which included information on household preparedness as well as information on local resources. In the future, the portal will be modified to serve as an all-hazards crisis response hub.

## F. Good governance

41. Sound management practices and standards of behaviour have been integrated in the UNFPA competency framework and performance management system. Conflict-resolution resource mechanisms for managers and staff to deal with conflict on an informal and formal basis at headquarters and in the field have been established. At the inter-agency level, the ombudsman function has been strengthened. In particular, the ombudsperson of UNDP, UNFPA, UNOPS and UNICEF and the United Nations Secretariat ombudsman have been integrated into one office, with an ombudsperson providing specific attention to the operational requirements of the funds and programmes and the needs of their staff. Moreover, the integrated United Nations ombudsman's office offers the possibility of mediation, through its Mediation Division. UNFPA has consistently supported the ombudsperson of UNDP, UNFPA, UNOPS and UNICEF and will continue to embrace the services offered by the funds and programmes ombudsperson in the integrated office.

42. In-house capacity has been established in UNFPA to handle disciplinary and legal matters. On 1 July 2009, a new system of Administration of Justice was implemented in the United Nations, providing for informal dispute resolution as well as formal dispute resolution in a two-tiered internal justice system. While it is expected that the new system of justice will improve delivery of justice for staff members of the United Nations, the professionalization of the internal United Nations justice system has also had the effect of significantly increasing the UNFPA workload in this area.

43. The Division for Human Resources holds weekly consultations with the UNDP/UNFPA/UNOPS Staff Council to ensure that issues relating to staff welfare and human resources policies are examined, discussed and resolved. This forum has proven an effective and valuable avenue for staff and management consultation on a variety of issues of concern to the staff at large.

## G. United Nations reform

44. UNFPA continues to contribute to various United Nations reform initiatives, including to support the enhancement of the Resident Coordinator system. The Fund has made substantive contributions to the deliberations around the development of standard operating procedures for the selection and appointment of Resident

Coordinators and Resident Coordinator talent management. UNFPA promotes the Resident Coordinator function as a career path. In addition, UNFPA is the first organization to have incorporated a specific mandatory output in the performance assessment of UNFPA Representatives, thus enabling the organization to assess their contributions as members of the United Nations country team (UNCT). UNFPA Representatives are required to include the Resident Coordinator as a feedback source on this output as well as on their competencies. In addition, they are required to include one or two members of the UNCT as feedback sources. UNFPA contributes to the organization and facilitation of the annual Induction Workshop for new Resident Coordinators arranged by the United Nations Development Operations Coordination Office (DOCO).

45. Since 2005, UNFPA has been actively involved in human resources advice and support to the Delivering as One pilot and self-starter countries, having participated in a change management mission that led to the creation of the first United Nations joint office in Cape Verde in 2006. UNFPA also participated in the organization and implementation of a job fair exercise to staff that office. In 2009, UNFPA further supported Cape Verde in a joint mission that conducted an organizational and functional review of the office, and co-facilitated a United Nations country team retreat to develop an action plan for implementation of Delivering as One change initiatives.

46. UNFPA has supported other Delivering as One and self-starter countries, including streamlining and harmonization of business practices in Papua New Guinea; advising on staff capacity assessments in Mozambique and the United Republic of Tanzania; and addressing human resources issues faced by co-located teams, such as the "One UN" communications team in Viet Nam, which has been cited for its enhanced coherence in communication and as a potential model for future "common teams".

47. UNFPA participated in the United Nations Development Group-High-level Committee on Management mission to four Delivering as One countries (Albania, Malawi, Mozambique and Viet Nam) to address bottlenecks in harmonization of business practices and to identify best practices that could be scaled up or replicated by other countries. A number of human resource-related best practices were identified, including the "UN Cares" programme; and the UNFPA PAD system, which is being used by the agencies that comprise the "One UN" communications team in Viet Nam.

48. UNFPA is an active member of a number of working groups that focus on United Nations reform and Delivering as One at country level. One such group, the UNDG Toolkit Reference Group, is working to align the outputs of various UNDG working groups with the aim of making new tools, products and best practices (collected from "One UN" pilot and self-starter offices) accessible to any country office managing a change process. UNFPA is also part of the Task Team on Human Resources in the UNDG working group on Country Office Business Operations, in efforts towards simplification and harmonization of human resources policies and practices. In addition, UNFPA has embarked on an initiative to harmonize learning among United Nations agencies at the country level.

# V. Key priorities and challenges

49. With the anticipated retirement of a significant number of the Fund's senior officers over the next few years, workforce planning is of critical importance and will have an impact on all aspects of the UNFPA human resources management function. In order to promote career development and leadership success, UNFPA continues to work to put in place a more robust talent management process with the right management and leadership succession programmes and tools. However, this endeavour is not without its challenges.

50. Addressing challenges in recruitment continues to be a key priority for UNFPA. The Fund's ongoing efforts to attract and expedite recruitment of highly qualified job seekers and increase candidate intake into rosters include, among others, expanding sourcing venues and additional investments in targeted recruitment missions. UNFPA will continue its use of assessment services and will introduce additional testing tools and approaches to ensure optimal candidate selection. However, recruitment for representational positions, and particularly for positions in complex duty stations, is especially challenging. Changes to the conditions of service for international staff serving in non-family hardship duty stations, with a possible reduction in entitlements, currently under consideration by the General Assembly, are expected to have an impact on recruitment and retention of staff in such locations as staff will not be able to install their families in the duty station and will have to maintain a second household outside the place of duty.

51. A more recent phenomenon impacting talent management, retention of job knowledge and continuity of operations is the trend of increasing turnover of staff due to expanding and competing job markets, including within the United Nations system. UNFPA continues to examine emerging external and internal issues and trends highlighted in this report to determine their impact on country office staffing configuration, including national staffing. UNFPA recently revised its staffing policy to require a minimum period of time in post before staff can apply for internal vacancies. Furthermore, UNFPA is considering the introduction of a minimum period of service with UNFPA before staff can be granted secondment to other United Nations agencies.

52. UNFPA restructuring, which led to the creation of regional and subregional offices, has had an impact on the Division for Human Resources role and increased demands on available resources to provide more individualized attention. Support to these offices is complicated by geographic separation and time zone differences, which have required adjustments to ways of working. In addition to regularly held consultations by human resources specialists with the managers of the respective divisions/regional offices, planned visits to regional and subregional offices are expected to help managers to address a range of human resources management issues. It is anticipated that these consultations will contribute to substantive and creative solutions to meet needs and address organizational issues and change. Furthermore, to support these new offices and the UNFPA country offices, the Fund is developing the capacity of international operations managers/operations managers by providing human resources training and new tools such as the Recruitment Guide for Managers. Notwithstanding this, many country offices still do not have operations manager positions either at the international or national level and require continued assistance from the Division for Human Resources. This support covers regular country office staffing reviews, guidance on human resources policies and

procedures, problem solving for human resources issues, and overseeing the delivery of human resources administrative services by UNDP.

53. Developing a more managed career development process is critical for talent management and is another area that requires increased attention. UNFPA values the contributions of young professionals and, to the extent possible, works to prepare them to develop competencies for career success. In order to maximize UNFPA staffing resources, motivate younger staff and develop well-rounded managers, efforts are being made to promote career development across functional lines. This involves developing young staff through a deliberate process that aims to broaden opportunities designed to maximize individual capabilities through: detail assignments to broaden job experience, especially in country settings; encouraging lateral moves for purposes of learning and skills acquisition; continued promotion of certification programmes; and delivering targeted training programmes, including expansion of UNFPA management and leadership programme. However, the limited number of entry-level positions in the professional category has been a particular handicap for UNFPA in terms of staffing, career progression and human resources planning. Unlike UNDP and UNICEF, UNFPA does not have the resources to fund a Young Professionals Programme which would prepare and groom young people for a career in the Fund. The Fund also lacks sufficient dedicated resources to provide the kind of individualized attention that a career management and development system requires to adequately guide staff members in their decision-making and expand their awareness of what they need to do to make their next career change.

54. The increased risks at country level due to factors such as civil unrest and natural disasters has increased the need for more focused attention and dedicated resources to support country offices in complex settings. It has also increased the need to institutionalize a UNFPA surge capacity and strengthen continuity of operations. This has several implications for UNFPA capacity, including: investing in staff orientation and more specialized training; dedicating funds for staff deployment as well as psychosocial support and counselling; and maintaining rosters for surge capacity and coordinating the rapid deployment of staff to affected duty stations. The Fund's ability to discharge its mandate uninterrupted while at the same time ensuring the well-being and safety and security of staff is of paramount importance and requires adequate resources to manage and maintain.

55. UNFPA is redesigning its on-boarding programme to ensure that staff are more adequately inducted and oriented in UNFPA policies and procedures, as well as in key management areas such as the International Public Sector Accounting Standards, results-based management, and the application of the internal control framework. In view of the anticipated retirement of a significant number of professional staff over the next few years, this investment is essential to make new employees feel welcome and familiarize them with the organization. Such a programme can help enhance the Fund's reputation as a considerate and attractive employer, and is important for staff retention.

56. Increasing demands will be placed on the organization to provide managers and staff with guidance on informal and formal approaches to learning to better align their competencies with organizational requirements, as well as to prepare them for new and higher levels of responsibility and accountability. The Division for Human Resources will work more closely with individual staff members to follow up on their development plans, particularly with those staff who have gone through

assessment services; or in preparation for and follow-up to the Resident Coordinator Assessment Centre. The further development of a UNFPA Learning Management System as part of the enterprise resource planning system will enable the organization to structure its corporate learning programmes and activities; strengthen linkages to the UNFPA competency framework; and enhance access and monitor use of learning and training opportunities offered. Increased efforts will also be needed to evaluate the quality and utility of UNFPA training and learning activities. In addition, UNFPA will continue to elaborate on and update the UNFPA Distance Learning on Population Issues, collaborating closely with teaching universities to provide tutoring services for the programme. Learning and training programmes will need to be expanded to include different levels of staff and put greater emphasis on managerial skills and accountability issues. These initiatives are imperative if the organization is to ensure that international and national staff alike not only enhance their own employability but also become more proficient and agile at working in varied and demanding settings.

57. A high priority will continue to be placed on supporting United Nations reform initiatives that have become integral to UNFPA work. Through participation in working groups of the CEB/Human Resources Network, UNFPA will continue to work with other organizations on system-wide human resources issues, including harmonization of human resource policies. UNFPA will continue its work through the UNDG Country Office Business Operations Network, aimed at addressing bottlenecks in the harmonization of business processes at country level. One approach is through the identification of best practices that can be scaled up or replicated by other offices. One notable example is the "One UN" communications team in Viet Nam, staffed with personnel from five different agencies. The recommendations of an inter-agency human resources mission to address a number of unresolved challenges associated with this co-located team resulted in the creation of a Management Board as a governance structure comprising members of the UNCT; the drafting of job descriptions using an agreed-upon format, with classification of posts by an inter-agency panel of headquarters classifiers using the United Nations Master Standards; and an agreement to use one common Performance Appraisal and Development system, allowing multirater feedback from staff within and outside the team. The Viet Nam "One UN" communications team provides a possible model for other offices as they create teams to provide common services.

58. A key challenge for the United Nations system as a whole has been to determine the type and level of staff capacity needed to respond to the expectations of Delivering as One. In response, UNFPA needs to advise country offices with regard to post profiles and skill mix in order to better respond to Delivering as One.

59. Within the context of the United Nations system, there are also system-wide changes that affect the management of human resources. UNFPA will be working with the other funds and programmes towards an integrated budget, which includes a new way to classify costs. This will require more frequent forecasting and planning for country office staffing in the future. The small size of UNFPA in comparison to its sister agencies poses a challenge (particularly for country offices) in meeting the expanding scope and range of requirements, including reporting requirements. It should be noted that UNFPA delivers on the same issues and participates in the same system-wide processes as its sister agencies but with far fewer staff and posts.

60. Accurate data, both qualitative and quantitative, are critical for reliable human resources planning, generating reports and conducting analyses of trends. The Division for Human Resources will continue to be challenged with significant investments in data cleansing and system enhancement, which requires inputs from the Division to ensure the system meets UNFPA business needs. At the same time, any proposal for system changes, including further development of the human resources module, must be conducted in collaboration with enterprise resource planning partner agencies, including UNDP.

61. Given the competitive environment in which UNFPA works and the challenging funding environment in which it operates, it is important that continuing attention be devoted to promoting and preserving what makes UNFPA an attractive employer, including setting conditions to support an enabling work environment. Guided by its human resources strategy, and with the requisite resources, UNFPA will continue to provide a work environment that reflects the values of gender equality, teamwork, respect for diversity, integrity and a healthy balance of work and life.

## VI. Recommendation

62. **The Executive Board may wish to take note of the present report.**